

TO: Bonneville Power Administration

FROM: Powerex Corp.

DATE: September 15, 2006

RE: **Congestion Management Proposals**

Powerex attended the Congestion Management Public Workshop on September 7, 2006 and has reviewed the materials presented at that meeting.

Powerex has comments on TBL's proposal to redispatch federal and non-federal generation based on voluntary bids, and to compensate generators that provide congestion relief. Powerex is supportive of TBL's proposal to develop a voluntary commercial redispatch pilot program for the summer of 2007. When it comes time to implement a longer-term solution, however, we encourage TBL to consider giving customers the option of agreeing to have their schedules curtailed in return for compensation if curtailment of those schedules would provide congestion relief. For example, there are many occasions when congestion would be alleviated if customers with reservations over the interties voluntarily agreed to curtail their schedules. Allowing customers to voluntarily agree to curtailment would provide TBL with another tool to manage congestion constraints. In our view, customers that voluntarily agree to be curtailed should be compensated on an equitable basis as generators who agree to redispatch if both are providing congestion relief.

Powerex also encourages TBL to consider forming a technical study group for the I5 corridor (south of Allston) that has a similar mandate and structure to NTAC's Puget Sound Area Study Group. It may be possible to reduce the need for redispatch and/or curtailments if there was broader understanding of the limiting contingencies and facilities behind the I5 congestion. NTAC has facilitated several workgroups where understanding of the physical conditions has led to novel solutions.

We look forward to continued discussions on TBL's congestion management proposals.